

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: JOINT MEETING OF THE COMMUNITY COLLEGE/FINANCE COMMITTEES

DATE: SEPTEMBER 2, 2015

COMMUNITY COLLEGE COMMITTEE

MEMBERS PRESENT:

SUPERVISORS: SEEBER
MCDEVITT
DICKINSON
WESTCOTT
BROCK

FINANCE COMMITTEE MEMBERS PRESENT:

SUPERVISORS: CONOVER
TAYLOR
WOOD
DICKINSON

MEMBERS ABSENT:

SUPERVISORS: SOKOL
MONROE
KENNY
MERLINO
FRASIER

OTHERS PRESENT:

REPRESENTING SUNY ADIRONDACK:

DR. KRISTINE DUFFY, PRESIDENT
ANN MARIE SOMMA, VICE PRESIDENT FOR ADMINISTRATIVE SERVICES
AND TREASURER
KAREN MOSHER, ADMINISTRATIVE ASSISTANT TO VICE PRESIDENT FOR
ADMINISTRATIVE SERVICES
KEVIN B. GERAGHTY, CHAIRMAN OF THE BOARD
PAUL DUSEK, COUNTY ADMINISTRATOR
AMANDA ALLEN, CLERK OF THE BOARD
FRANK E. THOMAS, BUDGET OFFICER
MICHAEL SWAN, COUNTY TREASURER
DEB PREHODA, WASHINGTON COUNTY CLERK OF THE BOARD
KEVIN HAYES, WASHINGTON COUNTY ADMINISTRATOR
ALBERT NOLETTE, WASHINGTON COUNTY TREASURER
MEMBERS OF THE WASHINGTON COUNTY BOARD OF SUPERVISORS
SARAH MCLENITHAN, DEPUTY CLERK OF THE BOARD

Mr. Conover called the Finance Committee to order at 1:06 p.m. and he noted that due to a lack of Committee member attendance, Chairman Geraghty would serve to make a quorum for the Committee.

Ms. Seeber called the meeting of the Community College Committee to order at 1:06 p.m.

Privilege of the floor was extended to Dr. Kristine Duffy, President of SUNY (State University of New York) Adirondack, who distributed copies of the agenda to the Committee members; *a copy of the agenda is on file with the minutes*. She advised the first item on the agenda was a request for support of the SUNY Adirondack Capital Project for 2016, which needed to be submitted to SUNY by the end of the month.

Ms. Duffy requested that Ann Marie Somma, Vice President for Administrative Services and Treasurer, provide an overview of the proposed SUNY Capital Project for 2016. Ms. Somma apprised the request was submitted to the State once a year to fund 50% of the Project. She said the State required the request to be submitted to them in the fall for approval the following June. She stated a Capital Project Number was usually provided in August; therefore, she apprised, work commenced during the summer months contingent upon the availability of the Local Share of funding. She commented the Capital Projects must be approved by the sponsors in order for the State to consider appropriating 50% of the cost of the project. She

said the Local Share of 50% could include monetary contributions from the County, Capital chargebacks, and monetary contributions from the FSA (Faculty -Student Association, Inc.). She explained Capital Chargebacks originated from the \$300 fee per FTE (Full Time Equivalent) per semester for non-sponsor New York State residents. She pointed out because Warren and Washington Counties were considered sponsors of the college they were not required to pay the FTE fees to the college. She apprised the average amount of funding received from chargebacks on an annual basis was about \$400,000. She informed this funding could only be expended on capital items.

Ms. Somma explained that the \$2 million Local Share referenced for the NSTEM (Nursing, Science, Technology, Engineering and Math) Building and WORC (Workforce Readiness Center) related to the amount of funding the SUNY Adirondack Foundation had committed to raise for furnishings, fixtures and equipment for the facilities. She apprised they were seeking support from both Warren and Washington Counties on their request to the State for 50% of the funding; however, she noted, no funding was being requested from either County in regards to this request. She stated since the SUNY Adirondack Foundation had yet to commit the funding last year they did not include it in last year's Capital Project they submitted to the State.

In regards to the \$100,000 referenced as the Local Share for the renovations to the Scoville Learning Center, Ms. Somma advised that these funds were derived from grant funding and not funding received from the Counties or chargebacks. She pointed out the FSA (Faculty Student Association) had committed \$50,000 in funding to the renovation of the Scoville Learning Center as well as \$103,000 in funds for the renovations on the Child Care Center that would be finishing up shortly.

Ms. Somma informed this was the only item included on their agenda that required approval from both Committees in order to submit it to the State. She stated their deadline to submit the request to SUNY was September 30th; therefore, they were bringing the request forward today for approval to move forward for consideration at both Counties September Board meetings. She reported that the SUNY Adirondack Board of Trustees had already approved the request.

Kevin Hayes, *Washington County Administrator*, questioned whether Board resolutions were required to which Ms. Somma replied she was unsure but would look into this and report back.

A motion was made and seconded by the Washington County Community College Committee to approve the request and forward same to their Finance Committee.

Motion was made by Mr. Westcott, seconded by Mr. McDevitt and carried unanimously to approve the request as presented and forward same to the Finance Committee.

Motion was made by Mr. Dickinson, seconded by Chairman Geraghty and carried unanimously to approve the request as presented and the necessary resolution was authorized for the September 18th Board meeting.

Proceeding with the agenda review, Ms. Duffy apprised they would like to continue the discussion on the NSTEM project funding proposal and whether either County had any indication if they would be able to provide any funding to the project and if so when would that be.

Ms. Duffy informed they had not received notification as to whether their SUNY 20/20 grant application would be selected for funding as of yet. She advised they were aware that SUNY had completed their review of the applications they received and forwarded their recommendations onto the Governor's Office which made the final determination as to which applications would be awarded funding. She said no decisions had been made by the Governor's Office thus far. She indicated she would report on the progress of their application as soon as she received an update.

Ms. Duffy reminded the Committee that the college had been awarded \$10 million for the NSTEM Project from the State last year and were now required to come up with the other \$10 million as part of the Local Share for a total project cost of \$20 million. She indicated she was aware that both Warren and Washington Counties had discussed the project but she was unsure whether any determinations had been made as of yet.

Mr. Hayes apprised that Washington County had hoped they would be granted approval from the State to increase their mortgage tax to assist with funding the College; however, he noted, the State Senate had denied their request. He stated they had expressed to Senator Little their desire for their request to be reintroduced next year. He added Senator Little had discussed with them some alternative ways of funding the college. He informed one of Senator Little's suggestions was the possibility of introducing a bill that would assist Counties with funding colleges while allowing them to remain under the State Tax Cap. He said the program would be similar to what was in place for school districts wherein the capital portion of any school funding was exempt from the State Tax Cap. Mr. Hayes indicated due to this Washington County may not be able to meet this years' time frame proposed by the college for the project, as they may have to delay taking any action until next year.

Mr. Conover informed that Warren County had been discussing the funding request from the college as part of the Budget Process for 2016. He said they were exploring whether they would be able to come up with some funding to contribute towards the colleges proposed project. He stated they were currently working on determining whether there would be any funding left over once they finished up some other priorities such as the Court Space Expansion Project while still being able to remain under State Tax Cap. He remarked that he was optimistic that money could be set aside now for the Project so that they had a funding source available when the payments for the project were due in 2017.

Mr. Thomas apprised the County was about halfway through their budget process. He stated he was aware that they may be able to shift some things around in the budget to come up with a portion of the funding requested by the college; however, he noted, he was unsure of whether they would be able to come up with the entire amount.

In regards to the time frame, Ms. Duffy advised they had hoped to be able to commence planning for the project this summer so they could send out the bids and commence work in March of 2016. She said this was necessary in order to maintain classes during the first phase of the project which was constructing the new addition, as this would be the least disruptive route to take. She continued, once the addition was completed they would move their current classrooms into the new space while the renovations were being completed. She mentioned since the renovations would include asbestos removal and other disruptive items that would require the building to be sealed off, they felt the most favorable time frame to complete this work would be during the summer of 2017. She remarked if the Counties were unable to determine whether they could provide financing for the project before the end of October it would be difficult for them to meet the timeline they had set for the project.

Ms. Duffy said she was sympathetic to the Counties in regards to the difficulties with coming up with the funding, as the college struggled with their budget, as well. She advised if they were not able to meet the deadline then they could delay the project until next year; however, she noted, the cost of project could increase due to higher interest rates associated with bonding, as well as increasing construction costs. She reminded the Committees one of the options Larry Paltrowitz, *Legal Counsel for the College*, had discussed in regards to financing permitted the Counties to defer payments until 2017. She informed if the Counties were to formally commit to the project the college would move the project forward now to meet the desired timeline with the understanding that the Counties would commence payments in 2017.

Mr. Conover apprised that he believed the scenario Ms. Duffy was referring to was utilizing about \$500,000 in chargebacks identified for other projects that would be deferred so that cash would be available to pay the upfront costs in 2015. He continued, utilizing this method of financing whether the project moved forward required the County to reimburse the college for the chargebacks they fronted, which he was uncomfortable with, as that was a significant amount of money for the County to pay even if the project did not move forward.

Mr. Hayes remarked he felt Washington County would have a better idea in October of what their 2016 County Budget would consist of; therefore, he suggested they schedule a joint meeting of the 2 Counties Finance and Community College Committees following this in an attempt to come up with some kind of funding scenario that would work for both Counties such as funding the project in phases. He apprised they could use the October Board meeting as the deadline to determine whether the project moved forward or they waited another year. He added another option was to put the funding request on hold until next year.

Mr. Conover advised Warren Counties Budget process included the preparation of a 5 year Multi-Year Plan which allowed them to determine what the impact of funding the project would be on their budget over the next few years. He commented he felt at this point the approach was exploring whether the funding was available within the existing revenues which was challenging for them since he did not foresee them changing over the next few years.. He noted funding the project was under consideration.

Ms. Seeber asked Ms. Duffy to report on her discussion with Congresswomen Stefanik regarding whether there were any Federal funding sources they could tap into to assist with funding the project. Ms. Duffy apprised they had met once with the Congresswomen's staff earlier this summer, as well as once with Congresswomen Stefanik last week. She stated the discussion had revolved around whether there were any other funding sources Congresswomen Stefanik was aware of on the Federal level that could be utilized for the Project. She said the meetings did not result in any other funding options being provided to them; however, she noted, Congresswomen Stefanik was aware of the project and the Counties difficulties in providing funding for it. She reported the largest source of funding for science related initiatives in colleges was the National Science Foundation; however, she pointed out, the majority of their funding was allocated to scholarships, faculty development and programming, not towards capital projects. She stated beyond this Congresswomen Stefanik had no indication that any other funding sources available. Ms. Seeber apprised she would follow up with Congresswomen Stefanik as to whether any other solutions had been founded.

Ms. Duffy advised that October was when they would prefer to be notified as to whether the Counties were going to move forward with the project; she noted they would not turn down funding offered to them at a later date. She noted the longer the project was delayed the harder it would be for them to meet their preferred deadlines. She commented she was grateful that the Counties continued to discuss the project. She said she would circle back to the Counties in October to inquire whether any determinations had been made. She said in the meantime they were doing their part to search for other possible sources of funding.

Mr. Conover remarked he felt there was much more of awareness amongst the Warren County Supervisors about the project, a number of which felt very positive about the project. He pointed out the County was currently involved in a major Court Space Expansion Project that cost \$16.5 million they had to see through completion. He advised he felt the Colleges Project had risen in priority on the list of possible projects under consideration by the County. He informed he would like to be able to provide the college with an answer as to what if any type of funding the County could provide, as well as when they could provide it.

Ms. Duffy reported they had recently hired a grant writer who would be coming onboard next week. She said their first assignment would be to research other funding sources for the project. She mentioned this individual had an extensive amount of experience with community colleges and all of the funding sources available on the Federal level. She reiterated they would continue to explore other funding options in an attempt to alleviate some of the financial stress placed upon the Counties to come up with the entire amount due as part of the Local Share.

Ms. Duffy apprised the community colleges located within the State that had the most difficulty being able to ascertain capital funding were located within Senator Little's District. She apprised she had a lengthy and robust conversation with Senator Little about how she may be able to assist the community colleges within her district as a collective in reviewing new ways of funding capital projects in general. She stated Senator Little had discussed the possibility of offering no interest loans, which although not the best option would assist them. She added

there was a model for this already within SUNY to fund certain items. She apprised they would be provided with some further information on that to explore. In regards to the Bill that Mr. Hayes referred to earlier, she stated it had been introduced by Senator LaValle, who was the Chairperson of the State Higher Education Committee. She explained if this bill was adopted college capital would be excluded from the Counties State Tax Cap. She informed Senator Little was sympathetic to the hurdles they were trying to overcome with regards to funding the project.

Robert Henke, *Chairman of the Washington County Community College Committee*, pointed out that the college gym was one of the oldest buildings on the campus that had not been renovated. He said he would like everyone to keep in mind it may require work in the near future. Ms. Duffy apprised this was the only building on the campus that had never been renovated. She stated the building had a high usage; therefore, she said, it would be included in their next Facilities Master Plan for the college.

Ms. Duffy apprised she had discussed with Ms. Seeber and Mr. Henke the possibility of having the Community College Committees from both Counties meet on a more regular basis so the Supervisors were aware of what was occurring at the college. She stated she felt this may assist everyone with getting ahead of the budget process, as they could be more productive if they had discussions regarding funding for the college prior to the Counties commencing their budget process this time of year rather than approaching the Counties after their budgets were completed. She indicated they were thinking of scheduling a meeting in November to commence discussion on next year's budget for the college depending upon the feedback provided.

Mr. Hayes interjected that Washington Counties Budget was completed for the following year by the end of October. Ms. Duffy asked whether it would be beneficial for a meeting to be scheduled in October to discuss further what they felt their budget would look like for next year. She pointed out the only funding stream that was secure for them was tuition, as they were unsure at that point in time how much aide they would receive from the State. She stated although their projection for enrollment would be an estimate at that time they would still be willing to meet with the Counties to commence the budget discussion since they were trying to work more in tandem with what the Counties schedule was.

Mr. Hayes suggested that they keep the current schedule in place but submit a 2 year budget rather than 1 year at a time, as this would assist the Counties with the preparation of their multi- year projections. Ms. Duffy mentioned they had discussed implementing a multi-year budgeting and forecasting process for the college, as well.

Mr. Conover asked if the funding would have been solely dedicated to the college had the mortgage tax increase had been approved for Washington County and Mr. Hayes replied affirmatively. He explained that this was the only purpose they could use their mortgage tax for, as they did not have an interstate or an airport. Mr. Conover inquired whether this increase would cover their portion of the cost towards the project to which Mr. Hayes responded that

80% of the mortgage tax they collected would be allocated towards their debt service for this project. He stated as mentioned by Mr. Henke, they realized there were other buildings located on the campus that would require attention within the next few years that this funding could be used for, as well.

Mr. Conover remarked he felt it was necessary for Warren County to consider that sometime in the near future Washington County may have a dedicated finding stream for the college which would include this capital project and possibly other capital items. He apprised he believed it was necessary for Warren County to start considering how they would come up with their share relative to these projects. He stated if it was determined they were able to do some sort of budget adjustment to provide funds for the project, he hoped this would continue on into future budgets so they had funding available to meet those capital requirements when they arose. He continued, if this was not the case they would have to continue to take these requests under consideration on a yearly basis unless the college implemented a multi-year plan.

Ms. Duffy interjected that they did somewhat of a multi-year capital budget, as they were aware of what they would be looking at over the next few years. She said they could certainly share this information with the Counties. She advised they had just completed their update to the Facilities Master Plan which displayed what projects they needed to address over the next few years that concerned the deferred maintenance while allowing them to meet their student demand and continuing to be at the forefront of their program. She mentioned if a meeting was scheduled in October or November they would be able to do a presentation on the Facilities Master Plan; however, she said, it was entirely up to the Counties whether they wanted to pursue meeting more often.

Ms. Seeber advised she had discussed with Ms. Duffy and Mr. Henke the possibility of meeting at the Wilton Center for their next meeting; however, she said, it never came to fruition. She said their goal had been to highlight different areas of the college each time they met to further educate the community and the Supervisors on the different aspects of the college. She inquired whether the Committee members were open to this notion to which Mr. McDevitt responded he was supportive of it, as he believed meeting more often could assist them with proactively attempting to come up with a solution for financing the project.

Mr. McDevitt inquired how much revenue Washington County received from mortgage tax and Mr., Hayes responded that they collected about \$344,000 as compared to the \$766,000 Warren County collected.

Mr. Westcott suggested they meet with the Budget Officer prior to scheduling the meeting with the college so they were aware of the budgetary impacts of the project. Mr. Taylor advised he assumed Mr. Westcott was referring to a joint meeting of the Finance and Community College Committees to which Mr. Westcott replied affirmatively. Mr. Taylor advised he felt they should work it out amongst themselves when the next joint meeting should be scheduled. Ms. Seeber suggested that Mr. Thomas notify them when an acceptable time would be to schedule

another joint meeting to continue the discussion on the project. Mr. Thomas informed that he anticipated the preparation of the Multi-Year Plan within the next few weeks following which a joint meeting of the Budget and Finance Committees would be scheduled to discuss it. Mr. Westcott apprised they should schedule a Joint meeting of the Community College and Finance Committees after the Joint meeting of the Budget and Finance Committees took place.

Ms. Duffy apprised the college would coordinate with the 2 Counties to schedule a meeting even if it is not an official meeting so they could present their Facilities Master Plan. She said they were open to meeting with the 2 Counties separately if that was necessary.

Ms. Somma confirmed that the State did require a formal resolution from both Counties supporting their Capital Project. She reminded the Committees to be sure that the resolution stated the legal name of the college, Adirondack Community College, as they would not recognize it if it was not noted properly in the resolution. She stated they would be happy to provide assistance in preparing the resolutions if it was needed.

In regards to the tentative schedule they had developed for possible future meetings dates for the Community College Committees, Ms. Duffy advised that the Agenda included a tentative schedule she had developed with Ms. Seeber and Mr. Henke. She stated they had hoped to meet in a different location of the college each time they met so the Committee members were more aware of the different aspects of the college and the activities going on there. As an example they had selected November for possible time to schedule a meeting in November so the Supervisors could attend their annual Scholarship Luncheon which took place on Tuesday, November 17th. She said this was a wonderful event wherein the Supervisors could see their constituents and all of the hard work they had done with the college faculty, as all scholarship honorees provided a background regarding their history. She commented this even highlighted some of the great work that took place on the campus. She informed they felt they could provide an update on the college priorities She explained they were in year 2 of the Strategic Plan they followed. She said in December they would provide the Committees with an update as to where they were in regards to some of their objectives, as well as include feedback from some of their early college high school students. She commented she would like the Committee members to observe all of the great work these students were doing in the Manufacturing Program, as well as their new Information Technology Networking Program. She advised they would be inviting both the Warren and Washington County Board members to attend the Annual Investors Breakfast in January of 2016. She indicated they were timing the scheduling of the meeting to fall after the Governor did the State of the State and the Chancellor of SUNY had completed the state of SUNY, as they were all somewhat related to each other. She informed they would like to meet in March to showcase a Faculty presentation on student successes, as well as provide updates on any new programming being offered. She continued, the meeting in May would revolve around the commencement to recognize one student from both Counties and the meeting to discuss the Budget would take place in June. She noted they had been awarded funding by SUNY to work on implementing a Network Security Program, which was highlighted in *The Post Star*. She remarked these were the suggested meeting times; however, she said, they were open to any feedback.

Ms. Duffy reminded the Committees of legislation that had passed this year in the executive budget concerning community colleges. She said this legislation specifically talked about the creation of Regional Community College Councils. She stated this required the creation of Regional Community College Councils where the Chancellor of SUNY appointed one of the Presidents from the region to act as President of this Council. She continued, the legislative language includes things such as “these Councils would determine enrollment goals, the programs offered and ways in which the colleges would collaborate”. She commented that she believed that it was important for Supervisors to understand that if that language turned out to be the way she interpreted it, the manner in which community colleges were governed would change significantly. She explained currently to a large extent, community colleges were governed by their local Board of Trustees and their local sponsors. She reported at this point the community college presidents had not received any notification of what this legislation would look like; she noted they were anxious to learn more about this. She reiterated this was a very different structure from how community colleges were currently governed. She apprised they were concerned this was an overstep into what had always been the control aspect of how community colleges were governed. She stated she would keep the Committees updated as she learned more about this legislation.

Ms. Duffy advised they were currently working on a Performance Improvement Plan, which was required to be submitted to SUNY in order to continue to be eligible to receive funding from them. She stated their purpose was continuous improvement and cultivating their success outcomes; however, she noted, the mandate was becoming challenging for them from a resource perspective but they were working through this to get it submitted to SUNY. She stated the 15 page plan consisted of outlining how they would improve upon their outcomes and continue to meet the goals set forth for them by SUNY.

Ms. Duffy stated that the Fall semester commenced this Wednesday, September 9th. She noted they should be at 100% occupancy for student housing this year.

Mr. Hayes introduced his replacement, Christopher DeBolt, who would be taking over as County Administrator when he retired at the end of the year. He advised that Mr. DeBolt would be shadowing him as part of his training between now and the end of the year when he took over the position. A round of applause followed.

Albert Nollete, *Washington County Treasurer*, inquired whether any updates were available regarding the college taking over custody of its capital cash. He said if this was still the desire of the college he assumed some sort of vote would be required. He stated rather than keep pushing the subject he felt they should commence working on getting this into place. Ms. Somma advised they needed to do some research on their end to determine exactly what resolutions they required in order to get this into place. She advised she anticipated resolutions would be required from the SUNY Adirondack Board of Trustees, as well as ones from each County. She apprised her goal was to get this taken care of before Mr. Hayes retired.

Ms. Somma reminded the Committee they had also discussed sharing the Counties annual operating contributions. She stated if this was something they were still interested in pursuing they could include this on the Agenda for the next meeting. Mr. Hayes apprised he had made the suggestion a few years ago to the Washington County Board of Supervisors to change the methodology of how they account for the Counties' cash contribution to the College. He stated the percentages were based upon projected enrollment and at the end of the year they reviewed the actual enrollment and adjusted the figures accordingly; he added that he did not feel this was practical, as adjustments would always be required. He continued, because of these adjustments the fund balance would ebb and flow as the modifications were made. He proposed utilizing two years actual enrollment and a three, five or ten-year average of enrollment to calculate the Counties' contribution to the college's annual operating budget. He said one of the advantages of utilizing actual enrollment over a period of time for the calculation was that it would eliminate some of the ebbs and flows where one County had to pay a much larger percentage than the other. He mentioned he would like to review the last several years actual FTE and calculate the contributions for this year's operating budget to display what the different figures would be. He commented although he doubted there would be much of a difference in this year's contribution, he felt if they utilized a 10-year average the increase on a year to year basis would be a lower figure and eliminate the true-up.

There being no further business to come before the Finance Committee, on motion made by Ms. Wood and seconded by Mr. Taylor, Mr. Conover adjourned the meeting at 1:59 p.m.

There being no further business to come before the Community College Committee, on motion made by Mr. McDevitt and seconded by Mr. Westcott, Ms. Seeber adjourned the meeting at 1:59 p.m.

Respectfully submitted,
Sarah McLenithan, Deputy Clerk of the Board